2007-05295/

Government of Canada Securities

A Publication of the Department of Finance

January 2007

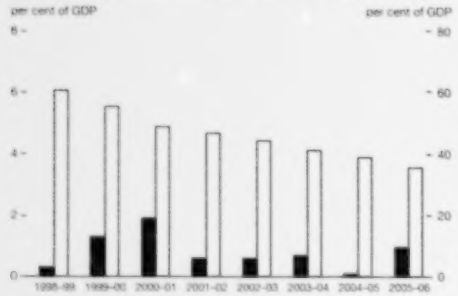
Canadian Economy

Selected Canadian economic statistics

	2005			2006		
	Q2	Q3	Q4	Q1	Q2	Q3
Annualized growth rates			(per cent)			
Real gross domestic product	3.4	3.5	2.6	3.8	2.0	1.7
Final domestic demand	3.9	4.1	4.7	5.6	3.6	2.8
Employment growth	1.7	1.5	2.4	1.6	3.1	0.4
Other						
Unemployment rate	6.8	6.8	6.5	6.4	6.5	6.4
Current account balance (percentage of GDP)	1.4	2.7	3.8	2.9	1.3	1.4

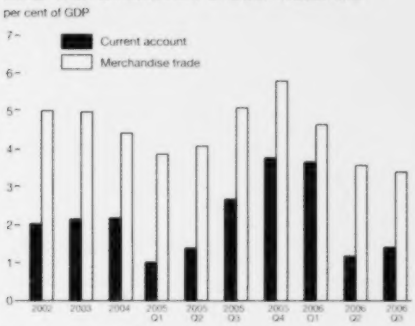
Source: Statistics Canada.

Government of Canada federal debt (accumulated deficit) and budgetary balance



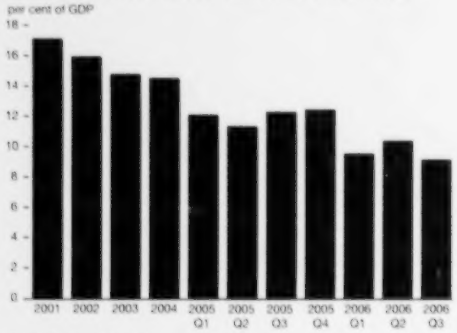
Source: Department of Finance.

Canada's current account balance and merchandise trade balance



Source: Statistics Canada.

Canada's net international liabilities



Source: Statistics Canada.

Upcoming economic data releases of interest

January

December CPI
(January 23)

November GDP
(January 31)

February

January Labour Force Survey
(February 9)

January CPI
(February 20)

March

December GDP
(March 2)

National and Economic Accounts
October-December 2006
(March 2)

February Labour Force Survey
(March 9)

February CPI
(March 20)

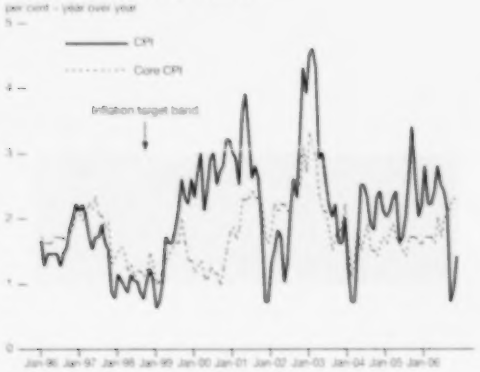
January GDP
(March 30)

Canada

Government of Canada Securities

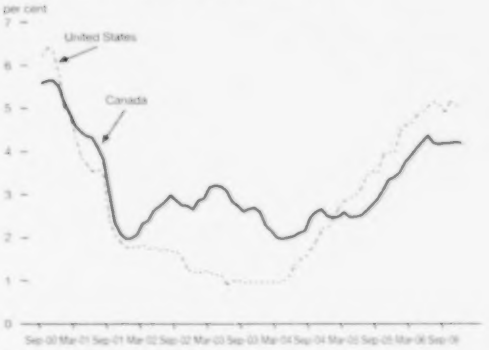
Canadian Economy

Consumer Price Index


per cent - year over year
CPI
Core CPI
Inflation target band
Jan-96 Jan-97 Jan-98 Jan-99 Jan-00 Jan-01 Jan-02 Jan-03 Jan-04 Jan-05 Jan-06

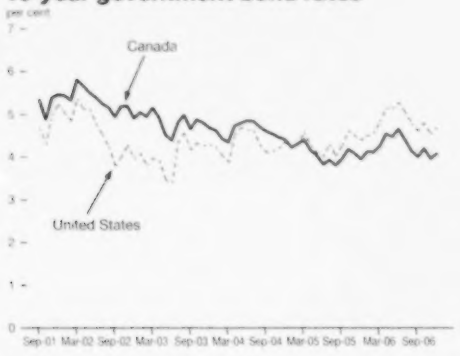
Source: Statistics Canada

3-month treasury bill rates



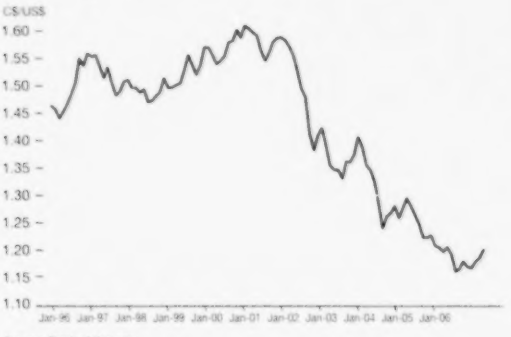
Sources: Bank of Canada and Federal Reserve

10-year government bond rates



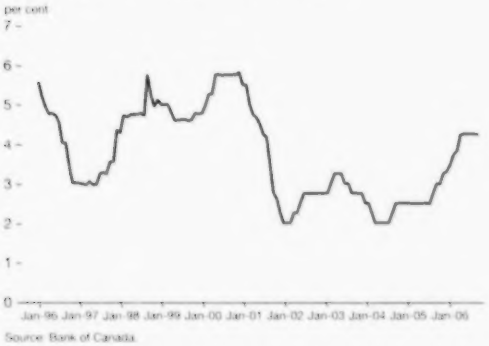
Sources: Bank of Canada and Federal Reserve

Exchange rate



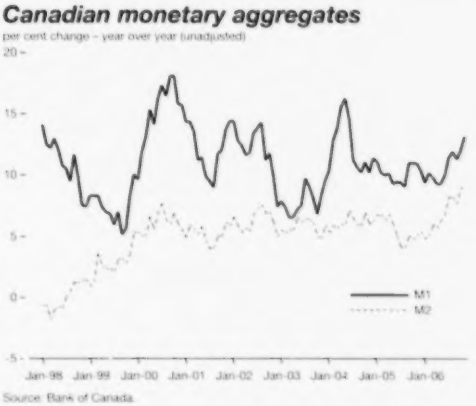
Source: Bank of Canada

Overnight money market rate



Source: Bank of Canada

Canadian monetary aggregates

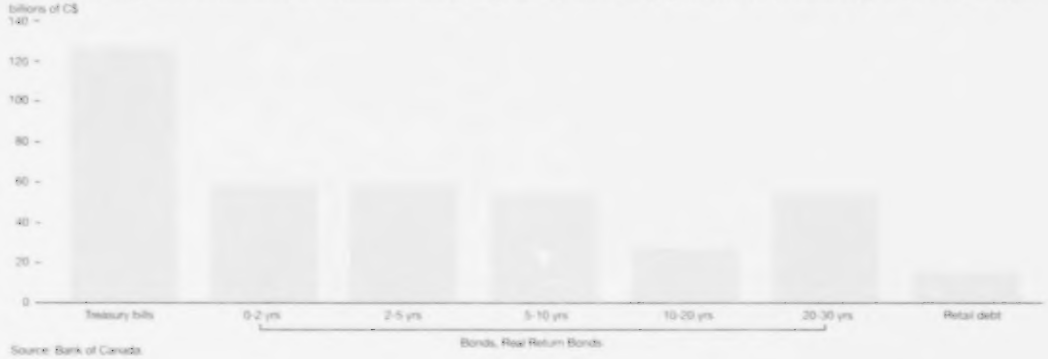


Source: Bank of Canada

Government of Canada Securities

Primary Market

Outstanding Government of Canada treasury bills, bonds (by term to maturity) and retail debt



Source: Bank of Canada

Recent Government of Canada bond auction results

Auction date	Term	Maturity date	Coupon rate	Issue amount	Average price	Average yield	Auction coverage**	Tail***
	(years)		(%)	(millions of dollars)		(%)		(basis points)
November 29, 2006	30	December 1, 2036	3*	450	132.116	1.640	2.368	n.a.
November 15, 2006	2	June 1, 2009	3.75	2,400	99.535	3.945	2.46	0.1
November 1, 2006	5	June 1, 2012	3.75	2,000	99.208	3.910	2.627	0.2
October 11, 2006	10	June 1, 2017	4	2,300	98.734	4.149	2.447	0.2

* Real Return Bond.

** Coverage is defined as the ratio of total bids at auction to the amount auctioned.

*** Tail is defined as the high accepted yield minus the average yield.

Source: Bank of Canada.

Government of Canada bond auctions

Type of issue	Auction date (2007)	Further details of issue (2007)	Dated and delivered (2007)	Amount maturing*
				(millions of dollars)
30-year	January 10	January 4	January 15	0
10-year	January 24	January 18	January 29	0
Real Return Bond	February 28	February 22	March 5	0

Note: In addition, this quarter five operations are planned under the Government of Canada bond repurchase program. Two repurchase operations will be held in conjunction with each nominal bond auction, and three switch repurchase operations will take place: one on February 14 in the 5-year sector, one on March 7 in the 2-year sector, and one on March 14 in the 10-year sector. Further details will be released on the Thursday prior to these operations. The target amount for the repurchase this quarter is $1.4 billion.

* Maturity of $193 million on March 1, 2007.

Source: Bank of Canada.

Government of Canada Securities

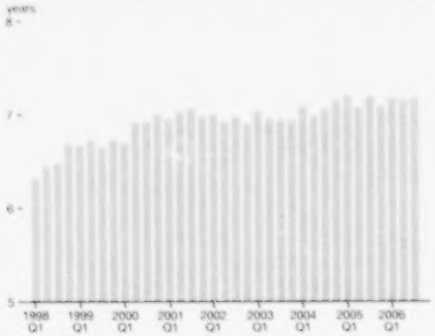
Primary Market

Government of Canada bond market benchmarks

Term	Maturity	Coupon	Amount outstanding	Yield (Dec. 29, 2006)
		(%)	(millions of dollars)	(%)
Fixed-coupon				
2-year	December 1, 2008	4.25	7,300	4.02
5-year	September 1, 2011	3.75	9,328	3.99
10-year	June 1, 2016	4.00	10,300	4.08
30-year	June 1, 2033	5.75	13,410	4.13
Real return				
30-year	December 1, 2036	3	5,450	1.77

Source: Department of Finance.

Average term to maturity of Government of Canada marketable debt



Source: Bank of Canada.

Upcoming Government of Canada marketable bond maturities

January-March 2007	April-June 2007	July-September 2007	October-December 2007
	(millions of dollars)		
193	11,282	9,725	7,425

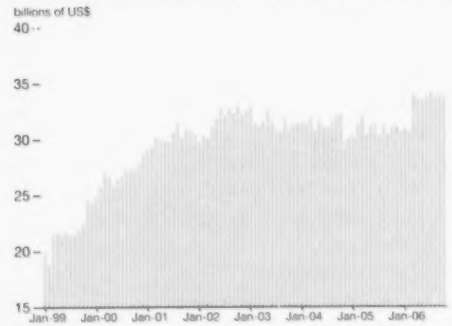
Outstanding Government of Canada foreign currency debt

	(C$ millions)*
Canada bills	1,999
Canada notes	493
Outstanding under EMTN program	1,629
6 ¼% NZ$ bonds maturing October 3, 2007	399
4 ⅝% EUR bonds maturing July 7, 2008**	3,146
5 ⅛% US$ bonds maturing November 5, 2008	2,914

*At par value, adjusted for exchange rates as of December 29, 2006.
**Original issue in Deutsche Marks was redenominated into euros on February 19, 1999.

Source: Bank of Canada.

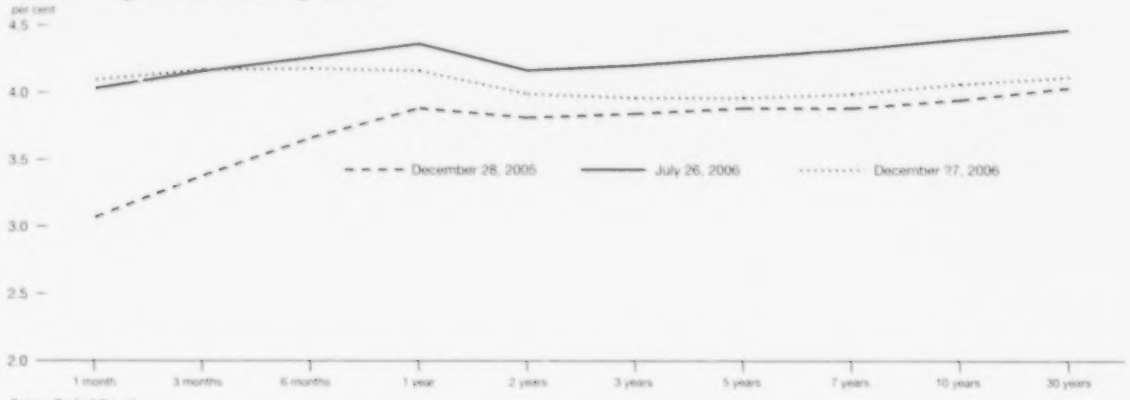
Canada's level of liquid foreign reserves



Source: Bank of Canada

Secondary Market

Canadian yield-to-maturity curve

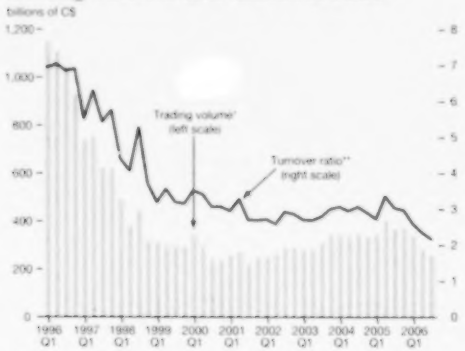


Source: Bank of Canada

Government of Canada bonds trading volume and turnover ratio

*Trading volume is total trading volume in each quarter.
**Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada treasury bills trading volume and turnover ratio



*Trading volume is total trading volume in each quarter.
**Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

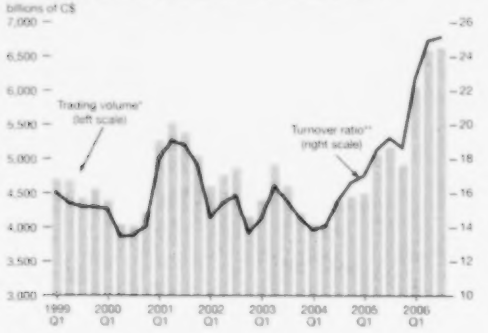
Government securities distributors

- Bank of Montreal (treasury bills only)
- Beacon Securities Limited
- BMO Nesbitt Burns Inc. (marketable bonds only)
- Canaccord Capital Corp.
- Canadian Imperial Bank of Commerce (treasury bills only)
- Casgrain & Company Limited
- CIBC World Markets Inc. (marketable bonds only)
- CTI Capital Inc.
- Desjardins Securities
- Deutsche Bank Securities Limited
- Golden Capital Securities Limited
- HSBC Bank Canada (treasury bills only)
- HSBC Securities (Canada) Inc. (marketable bonds only)
- Laurentian Bank Securities Inc.
- Merrill Lynch Canada Inc.
- J.P. Morgan Securities Canada Inc.
- National Bank Financial Inc.
- Ocean Securities Inc.
- Odlum Brown Limited
- RBC Dominion Securities Inc.
- Scotia Capital Inc.
- The Toronto-Dominion Bank

Government of Canada Securities

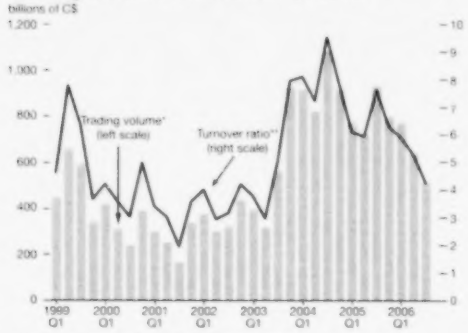
Secondary Market

Government of Canada bond repos trading volume and turnover ratio



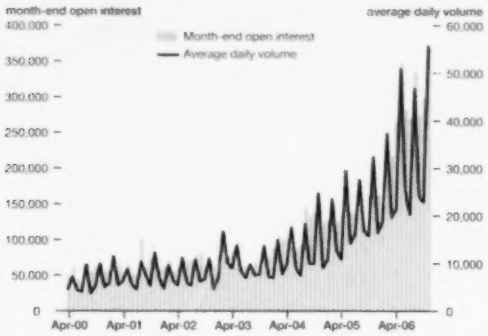
*Trading volume is total trading volume in each quarter.
**Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

Government of Canada treasury bill repos trading volume and turnover ratio



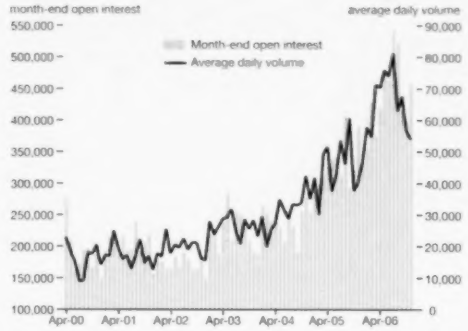
*Trading volume is total trading volume in each quarter.
**Turnover ratio = total trading volume in each quarter/stock.
Source: Bank of Canada.

10-year Government of Canada bond futures



Source: The Montreal Exchange.

3-month bankers acceptance futures



Source: The Montreal Exchange.

Government of Canada long-term credit ratings

	Standard & Poor's Current	Moody's Investors Service Current	Dominion Bond Rating Service Current
Domestic debt – Trend	**AAA** Stable	**Aaa** Stable	**AAA** Stable
Foreign debt – Trend	**AAA** Stable	**Aaa** Stable	**AAA** Stable

This publication is also available on the Internet at www.fin.gc.ca.
Except as noted, the information in *Government of Canada Securities* is based upon data available as of January 2, 2007.
For further information, contact Ian Blachford at 613-992-6386.
For additional copies or subscription inquiries, please contact the Distribution Centre at 613-995-2855.

Ce document est également disponible en français.

Department of Finance Canada | Ministère des Finances Canada